

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN

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UNITED STATES OF AMERICA

Plaintiff,

v.

Case No. 24-CR-

24-CR-204

[26 U.S.C. § 7202]

WILLIAM S. GALLAGHER,

Defendant.

INDICTMENT

THE GRAND JURY CHARGES THAT:

Allegations Common to All Counts

1. At all times relevant to this Indictment:
 - a. The defendant, William S. Gallagher, was the owner and manager of H2O Wisconsin, LLC, also known as Poolblu ("H2O"), which was a swimming pool service and retail company in Lake Geneva, Wisconsin.
 - b. Under federal law, an employer is required to collect payroll taxes, which include federal income taxes, Social Security taxes, and Medicare taxes, from the wages paid to its employees and pay over these taxes to the United States through the Internal Revenue Service ("IRS"). Because the employer holds these taxes and pays them over on behalf of the employee, they are referred to as the "trust fund" portion of payroll taxes.
 - c. An employer is also required to pay additional payroll taxes to the IRS in an amount equal to the employees' Social Security and Medicare taxes. Because these taxes

match the employees' share of Social Security and Medicare taxes, they are referred to as the "matching portion" of payroll taxes.

d. Federal law further requires an employer to file quarterly tax returns (Forms 941) with the IRS reporting the total wages paid to its employees during the quarter and the corresponding payroll taxes due and owing to the United States. These quarterly returns must be filed by the last day of the month following the end of the quarter in question.

e. As the owner and manager of H2O, the defendant was responsible for collecting, accounting for, and paying over to the IRS the federal income taxes, Social Security taxes, and Medicare taxes withheld from the wages paid to the employees of H2O.

f. The defendant was also responsible for filing the associated quarterly payroll tax returns for the business.

COUNTS ONE through TWELVE

THE GRAND JURY FURTHER CHARGES THAT:

2. On or about the dates indicated below, in the State and Eastern District of Wisconsin and elsewhere,

WILLIAM S. GALLAGHER,

who was required to collect, account for, and pay over federal income taxes, Social Security taxes, and Medicare taxes from the total taxable wages of the employees of H2O, did willfully fail to truthfully account for and pay over to the IRS payroll taxes in the indicated approximate amounts that were due and owing to the United States of America for the indicated periods:

<u>Count</u>	<u>Date of Offense</u>	<u>Quarter (Date ending on)</u>	<u>Payroll Taxes</u>
One	April 30, 2018	First quarter of 2018 (March 31, 2018)	\$10,218.84
Two	July 31, 2018	Second quarter of 2018 (June 30, 2018)	\$18,754.92
Three	October 31, 2018	Third quarter of 2018 (September 30, 2018)	\$22,363.73
Four	January 31, 2019	Fourth quarter of 2018 (December 31, 2018)	\$14,728.05
Five	April 30, 2019	First quarter of 2019 (March 31, 2019)	\$13,566.10
Six	July 31, 2019	Second quarter of 2019 (June 30, 2019)	\$24,522.61
Seven	October 31, 2019	Third quarter of 2019 (September 30, 2019)	\$28,071.46
Eight	January 31, 2020	Fourth quarter of 2019 (December 31, 2019)	\$20,675.57
Nine	April 30, 2020	First quarter of 2020 (March 31, 2020)	\$20,556.34
Ten	July 31, 2020	Second quarter of 2020 (June 30, 2020)	\$21,582.40
Eleven	October 31, 2020	Third quarter of 2020 (September 30, 2020)	\$36,771.87
Twelve	January 31, 2021	Fourth quarter of 2020 (December 31, 2020)	\$27,544.22

Each in violation of Title 26, United States Code, Section 7202.

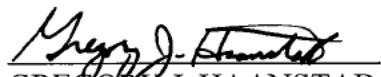
A TRUE BILL:



Prosecutor

22 OCT 2024

Date


GREGORY J. HAANSTAD
United States Attorney